

# 101 Questions

every company should ask before going international

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**THE YORK GROUP**  
INTERNATIONAL TECHNOLOGY PARTNERS

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## Introduction

Going international requires careful thought and planning. When it is done properly it will accelerate revenue growth, add significantly to the bottom line, and ultimately make a company more valuable in the eyes of investors or potential acquirers.

However, many companies underestimate the challenges, as they rush out to set up offices and recruit channel partners around the world, only to find that things are not going according to plan. We hope that the questions in this document will provide some food for thought and help identify some of the elements that go into a success international launch.

## First Things First

1. Why should we think about going international?
2. What size do I need to be to go international?
3. What are the key success factors for companies entering the international market?
4. How much of our sales should come from international?
5. How much should I budget for an international launch?
6. How long should it take for an international effort to generate revenues?
7. Will we need extra staff to support an international effort?
8. What do international prospects look for when they are buying a product?
9. Are there challenges that a vertical software application developer needs to be aware of?

## Market Issues

10. What are the ten largest international markets?
11. What are the best international markets to go after?
12. But if we have a limited budget, shouldn't we go after the biggest markets first?
13. How many markets should we go after?
14. Are there any international markets that we should avoid?
15. Are territories defined by country boundaries or are there regional definitions?

## Channel Issues

16. What are the different channel options available in going international?
17. When does it make sense to try and sell directly from home?
18. When does it make sense to use international distributors?
19. When does it make sense to have a reseller channel?
20. When does it make sense to set-up your own office(s) internationally?
21. We want to have our own offices, but can't afford to do it today. Is there a way for us to have our cake and eat it too?
22. What does an international partner look for when evaluating a vendor?

23. Should I have my pricing on the Web?
24. If we develop a channel, can we still sell direct through our Website?
25. Is selling direct via the Web a better option than building a channel?
26. What are some of the barriers to selling from our Website?

### **Product Translation and Localization**

27. Does our product need to be translated and localized before we go international?
28. What is the difference between translation and localization?
29. What if we just want to translate the product? What is involved?
30. What are the different ways to handle the translation?
31. What else is involved if we want to "localize" our product?
32. Should we have an international reseller handle our product translation?
33. Do we have to translate all of our marketing materials for every country?

### **Intellectual Property Protection**

34. What exactly is a trademark?
35. How are trademarks established?
36. How and why do trademark disputes arise?
37. What is involved in registering a trademark?
38. Do we have to register our trademarks, copyrights or patents in every country?
39. What is the difference between TM, SM and, ®?
40. Which countries provide the best anti-piracy protection?
41. Which countries provide the least anti-piracy protection?
42. What are reasonable ways for developers to protect their software?

### **Pricing, Credit and Payment Issues**

43. What are the best ways to get paid for international orders?
44. Should we grant credit terms to our resellers?
45. Should we charge the reseller an up-front fee?

46. What is the discount level we will have to offer to international resellers?
47. How are maintenance fees usually handled outside of North America?
48. Should pricing be in U.S. Dollars or the local currency?
49. Will I have to worry about withholding taxes, and if so, how do they work?
50. What do we have to take into consideration relative to ordering, shipping and returns?

### Setting up a Subsidiary

51. What are the advantages of setting up a company-owned subsidiary?
52. What are the disadvantages?
53. Is there a point at which it makes sense to set up a subsidiary?
54. How much should we budget for a small office?
55. What else should we consider before deciding to set up a subsidiary?
56. If we want to set up a European main office, are some countries better than others?
57. Are there countries that offer investment incentives?

### Recruiting a Channel

58. Where can I find good prospects?
59. What should I do when an interested reseller contacts us unsolicited?
60. How do we handle resellers that demand market exclusivity?
61. How do we handle cross-border sales, with multiple resellers involved?
62. How do I avoid getting locked out of a territory by someone who isn't performing?
63. How do I determine if a territory has too many or too few channel partners?
64. Are there countries where we can have multiple resellers?
65. How do we qualify prospective resellers?
66. What is the best way to make contact with people?
67. Is there an ideal size of reseller organization?
68. Should I use a reseller application?
69. What are some key qualification criteria?

## Legal Issues

70. What kind of legal documents do I need in order to do business internationally?
71. Will I have to change my software license agreement?
72. Do we really need a comprehensive international reseller agreement?
73. What is a reasonable term (duration) for an agreement?
74. Are exclusivity clauses enforceable?
75. Should we require a non-compete clause?
76. What are the most common reasons for terminating a contract?
77. How do we notify the reseller so that we are protected under the contract?
78. What happens upon termination?
79. What should we use as governing law, ours or theirs?
80. When should we send out the reseller contract?

## Marketing Issues

81. Won't it be expensive to support international partners?
82. Why aren't our resellers selling more of our products?
83. What should we require in a monthly report?
84. What type of marketing materials will I need to supply resellers?
85. How do I find information on local resources such as mailing lists?

## Providing Support

86. Should we have a reseller manual?
87. Will the reseller need any training?
88. How do we provide training to international partners in various countries?
89. What is the best way to handle on-going communications?
90. Should we schedule visits to our resellers?
91. What are the most common marketing support and incentive programs?
92. Should we have reseller conferences?

93. What if things don't work out? Is it easy to terminate a reseller?
94. How do we best leverage our existing support infrastructure and resources?
95. What is an acceptable level of response time for product support questions?
96. What level of technical support should an international partner provide?
97. What are acceptable terms and conditions for warranties and maintenance?
98. What should we look for in an international manager?
99. What would their responsibilities be within our organization?
100. Where can we find people with this profile and background?
101. How many resellers can one person manage?

## About Us

### *About The York Group*

The York Group ([www.theyorkgroup.com](http://www.theyorkgroup.com)) specializes in building productive, revenue-producing channels for technology companies. Since 1993 we have helped hundreds of companies 1) get better performance from their existing partners; 2) replace non-performing partners and recruit partners in new markets; and 3) reduce the costs of channel support. With offices and partners in more than 20 countries we provide the local resources a company needs to be a global success.

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